

Financial Results

Quarter 2 of Fiscal Year 2015

Media Call
May 8, 2015



A Deep Financial Hole

March 31, 2015

- Liabilities exceed assets by approximately \$48 billion.
- The USPS has only 33 cents of assets to cover each dollar of its liabilities.

ASSETS		LIABILITIES	
Unrestricted Cash	\$ 6.1B	Retiree Health Benefits	\$25.3B
Land, Buildings & Equipment, net of depreciation	\$16.1B	Workers' Compensation	\$18.6B
Other Assets	\$ 1.7B	Debt	\$15.0B
		Accrued Compensation, benefits, and leave	\$ 3.6B
		Deferred Revenue	\$ 3.3B
		Other	\$ 5.6B
Total Assets	\$23.9B	Total Liabilities ¹	\$71.4B

¹ Under multi-employer accounting rules, there are approximately \$43B in obligations not shown on the balance sheet.

➤ Significant profits over years and legislation are needed to recover.



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Quarter 2 (3 Months) (Billions)	FY 2015	FY 2014
Revenue (without Exigent 2015=\$16.4B, 2014=\$16.3B) ¹	\$16.9	\$16.7
Expenses ^{1, 2}	16.6	16.5
Controllable Income (Loss) ^{1, 2}	0.3	0.2
Retiree Health Benefits Pre-Funding	(1.4)	(1.4)
Workers' Comp. Fair Value Adj.	(0.4)	(0.5)
Workers' Comp. Other Non-Cash Adj.	-	(0.2)
Net Income (Loss) ¹	(\$1.5)	(\$1.9)
Volume (pieces)	37.7	38.2

1 - Retail revenue days and delivery days were even compared to SPLY.

2 - Before RHB pre-funding and non-cash adjustments to workers' compensation liabilities.



Financial Results

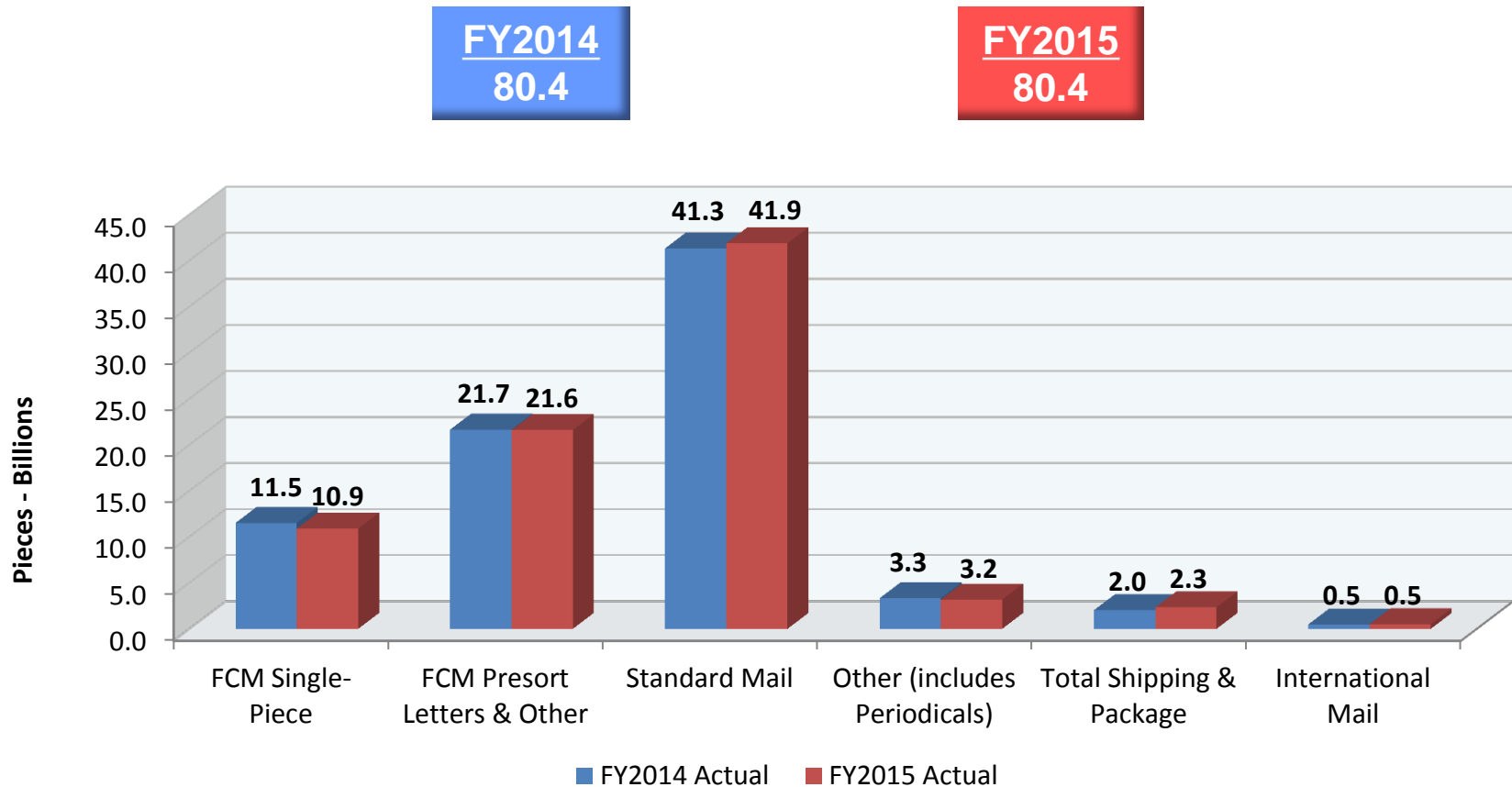
March YTD (6 Months) (Billions)	FY 2015	FY 2014
Revenue (without Exigent 2015=\$34.7B, 2014=\$34.3B) ¹	\$35.8	\$34.7
Expenses ^{1, 2}	34.3	33.7
Controllable Income (Loss) ^{1, 2}	1.5	1.0
Retiree Health Benefits Pre-Funding	(2.9)	(2.9)
Workers' Comp. Fair Value Adj.	(1.2)	-
Workers' Comp. Other Non-Cash Adj.	<u>0.4</u>	<u>(0.3)</u>
Net Income (Loss) ¹	<u>(\$2.2)</u>	<u>(\$2.2)</u>
Liquidity Days (of oper. cash)	22	14
Volume (Pieces)	80.4	80.4

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Volume: Mar YTD FY2015 vs. SPLY



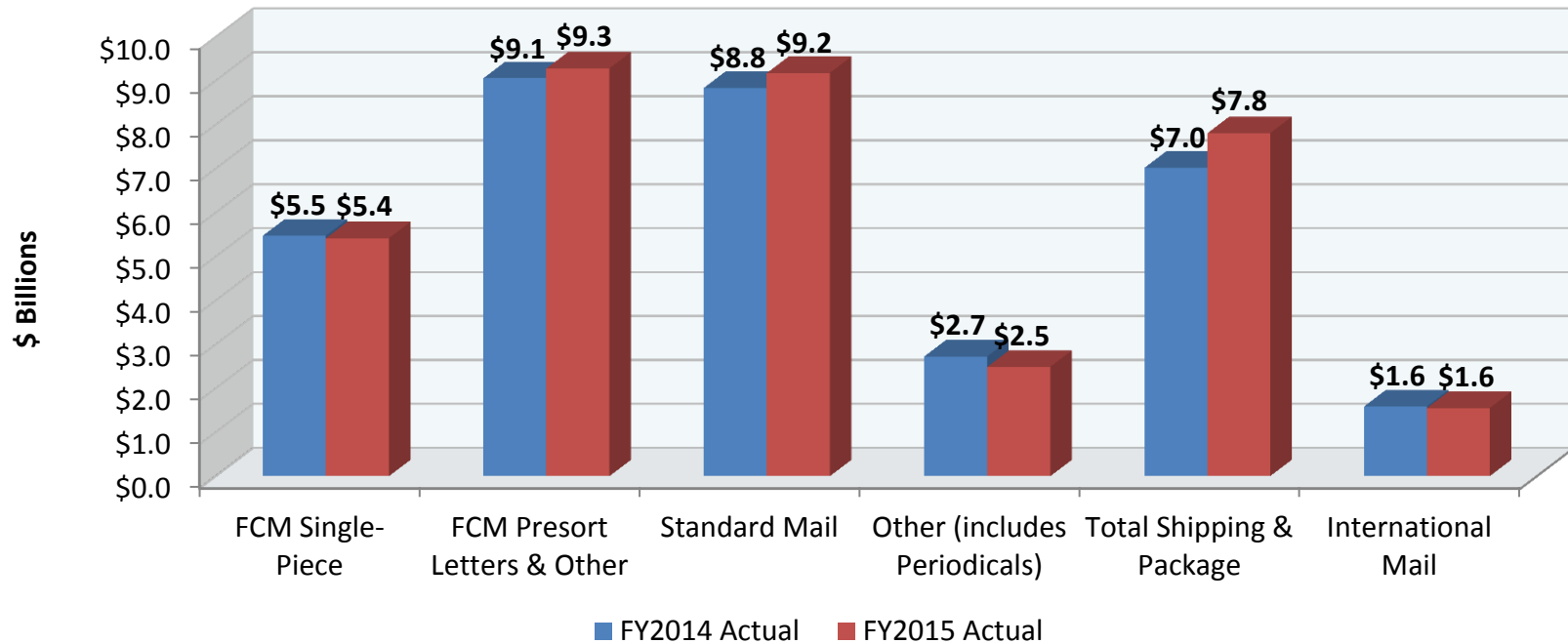
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Revenue: Mar YTD FY2015 vs. SPLY

FY2014
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FY2015
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Controllable Expenses

March YTD (6 Months) (Billions)	FY 2015	FY 2014
Compensation & Benefits ¹	\$26.3	\$25.5
Transportation	3.4	3.4
Depreciation	0.8	0.9
Supplies & Services	1.3	1.3
Rent, Utilities & Other	<u>2.5</u>	<u>2.6</u>
Controllable Expenses ^{1, 2}	\$34.3	\$33.7
Workhours (Millions)	569	559

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Questions ?

**Please Press *1 On Your
Telephone Keypad**



Complete Financial results are in the Form 10-Q:
<http://about.usps.com/who-we-are/financials/welcome.htm>

Additional questions can be emailed to:
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